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USDOC FOR 532/OEA/ MCANNER
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR PATRICK SANTILLO
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS

SIPDIS

E.O. 12958: N/A

TAGS: [BMGT](#) [BEXP](#) [HK](#) [ETRD](#) [ETTC](#)

SUBJECT: EXTRANCHECK: POST SHIPMENT VERIFICATION: PEACEFUL VISION

REF: A) BIS e-mail request dated December 3, 2009

1.Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

12. As per reftel A request and at the direction of the Office of Enforcement Analysis (OEA) of the USDOC Bureau of Industry and Security (BIS), Export Control Officer Philip Ankel (ECO) conducted a post shipment verification (PSV) at Peaceful Vision, Ltd., Flat 13, 8/F, Block A, Hunghom Commercial Center, 39 Ma Tau Wai Road, Hung Hom Hong Kong (Peaceful Vision). The items in question for this PSV are various field programmable gate arrays exported to Peaceful Vision on or about October 29, 2008. These items are likely classified under Export Control Classification Number (ECCN) 3A001a7a and are controlled for national security (NS) reasons. This ECCN is eligible for shipment to Hong Kong license free and eligible for license exception CIV (civil end use) to mainland China. The exporter is Nu Horizons International of Southaven, Massachusetts.

13. According to the Hong Kong Companies Registry, Peaceful Vision has been in existence since 1996. Its paid up share capital is the Hong Kong equivalent of USD 250,000. The Hong Kong Companies Registry lists Cen, Guan Hua and Lu, Jin Feng (both likely Mainland nationals) as directors. These two individuals do not appear to be directors in any other Hong Kong registered companies.

14. Web research reveals that Peaceful Vision is an electronics reseller (www.peacefulv.com). The company website states that the company has several offices in mainland China as well as a European office in Zaventem, Belgium. In addition, the company website provides that the company focuses on the military components business around the world with an emphasis on aircraft, weapons, ship and military industrial applications for domestic and international customers. Based on additional web research, it appears that Peaceful Vision is related to additional companies, Heng Star International, Yiu Star International and Ying Ke Electronics (www.peaceful.icbuy.com).

15. On December 17, 2009, ECO and FCS Commercial Assistant Carrie Chan visited the company and met with Ms. Tong, salesperson. Ms. Tong had no business card to provide to ECO. According to Ms. Tong, Peaceful Vision is a trading company whose customers include other trading companies in Hong Kong and China. The company has affiliates in other cities in China, including Shenzhen (where this transaction originated). Ms. Tong stated that the company acquires components on behalf of customers based only on product numbers and that she was not familiar with the end-users or end uses of these items (or, for that matter, for most items Peaceful Vision acquires). Ms. Tong stated that virtually all customers are located in Hong Kong and China although some have, in the past, been located in the Philippines, Singapore and the United States.

16. As to this particular order, Ms. Tong stated that she was unaware of the end use of the items. She also stated that she did

not recall if Peaceful Vision had obtained the required Hong Kong TID import license for these items (ECO does not believe such license was obtained). When asked about products in the military temperature range, Ms. Tong stated that reference to such products was done for trade promotion purposes (suggesting, ECO supposes, that the company does not actively deal in these products). Information independently obtained by ECO shows that Peaceful Vision acquired (in 2008), electronic components rated for operation in the military temperature range.

¶17. Ms. Tong provided a purchase order and invoice for this order listing the purchaser as Shenzhen Ke Ying. She stated that this customer picked up the items at Peaceful Vision's Hong Kong offices. Ms. Tong did not clarify (as ECO subsequently surmised) that the customer is an affiliate of Peaceful Vision (the customer fax number is the same as the fax number for Peaceful Vision in Shenzhen). Ms. Tong stated that Peaceful Vision's Shenzhen office had generated the Purchase Order directly to Nu Horizons. As a result, Ms. Tong was unaware whether an end user statement had been provided to Nu Horizons in respect of this shipment.

¶18. By separate e-mail, ECO relayed export control information (including BIS and HKTID information) to Ms. Tong.

¶19. Based on the circumstances of the EUC, ECO cannot recommend that Peaceful Vision be considered a reliable recipient of U.S. origin controlled technology. ECO recommends that BIS reach out to the exporter to determine what information it had on hand as to the end use and end user prior to shipment to Peaceful Vision (in light of Peaceful Vision's apparent focus on sales of military related ICs).